

Article - Local Government

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§1-1414.

(a) Except as provided in subsections (c) and (d) of this section, money received by an authority as payment of taxes, penalties, water and sewer liens, or interest, or from the redemption or sale of property subject to a tax lien of any taxing unit, shall be returned to the tax collector in the jurisdiction where the property is located for distribution on a pro rata basis to the appropriate taxing units in an amount equal to delinquent taxes, penalties, and interest owed on the property.

(b) Proceeds received by an authority may be retained by the authority for the purposes of this subtitle, unless otherwise designated by:

- (1) an agreement of the authority;
- (2) the provisions of a deed;
- (3) this subtitle; or
- (4) any other law.

(c) Money received by an authority as payment of water and sewer liens, taxes, penalties, or interest, or from the redemption or sale of property subject to a tax lien of any taxing unit may be retained by an authority under a written agreement with a local government or a law enacted by the legislative body of a local government.

(d) (1) To facilitate a transfer of real property to an authority, the governing body for the jurisdiction where the real property is located may release any liens for unpaid real property taxes or other charges and assessments imposed by the governing body to which the property would be otherwise subject, if:

(i) 1. the total amount of liens for unpaid real property taxes, charges, and assessments imposed with respect to the property exceeds the lesser of the total value of the land and any improvement on the land as last determined by the tax assessor of the governing body or as determined by an appraisal report prepared, not more than 6 months before the request for the release of the lien, by a real estate appraiser who is licensed under Title 16 of the Business Occupations and Professions Article; or

2. the tax collector for the local government has sold the real property at a tax sale under Title 14, Subtitle 8 of the Tax – Property Article, but the tax sale certificate has become void;

(ii) the code enforcement office, housing department, or equivalent department or agency of the local government of the jurisdiction where the tax lien is held certifies that the property:

1. is a vacant lot; or
2. has a building or structure that is:
 - A. vacant; and
 - B. unsafe or unfit for habitation; and

(iii) the authority finds that a transfer under this section is necessary:

1. to eliminate a blighting influence; and
2. to prevent the tax abandonment of a property.

(2) The release of a lien for real property taxes, charges, or assessments as authorized under paragraph (1) of this subsection does not abate the transferor's liability for the remaining amount of the tax debt.

(3) The governing body of a jurisdiction may set additional standards and requirements for approval of the release of liens under this section.

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